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Department of Insurance Commissioner of Insurance

Proposed Regulation 58.Viatical Settlements Substantive Change Hearing Notice

Pursuant to the Administrative Procedures Act, the Department of Insurance gives notice of a hearing regarding substantive changes made to proposed Regulation 58 of the Department of Insurance. The notice of intent for proposed Regulation 58, prior to the substantive changes, was published in the *Louisiana Register* on February 20, 1996, pp. 148-150.

The following provisions were changed or amended by the Department of Insurance:

1. Section 5(D). The word *cancellation* has been replaced with the word *revocation*, regarding revocation of the license of a viatical settlement provider for failure to pay the yearly fee within the terms prescribed by the Department of Insurance.

2. Section 5(G). This paragraph originally allowed only a deposit of cash or cash equivalents for the minimum capital requirements of a viatical settlement provider. This paragraph has been changed to allow for the use of a bond, in addition to a deposit of cash or cash equivalents.

3. Section 6(D). Section 6(D) has been deleted, to remove the provision for the issuance of a limited license for persons wishing to become viatical settlement brokers.

4. Section 6(I). Section 6(I) has been deleted to remove the provision that states "The Department of Insurance shall not deny a license application or suspend, revoke or refuse to renew the license of a viatical settlement provider without first conducting a hearing in accordance with the Administrative Procedure Act.

5. Section 7. The first three sentences of this section are in the enabling legislation and therefore are unnecessary and have been deleted. Also, a sentence was added to read as follows: "As provided in R.S. 22:205, the Department of Insurance must approve a viatical settlement contract before it is used in this state." Additionally, the introductory phrase "If the viatical settlement contract is disapproved" was added preceding language which details the duties of the Department of Insurance if a contract form of a viatical settlement provider is disapproved.

6. Section 9. The phrase *minimum discounts* has been replaced with the phrase *minimum amounts* to clarify the fact that the percentages listed are the minimum percentages which must be paid to a viator. Also, a procedure for obtaining a variance from the minimum percentages to be paid to a viator has been added to Section 9.

7. Section 10(B). The last sentence of Section 10(B) has been deleted, to remove the provision which allowed viatical settlement proceeds to be paid in installments.

The hearing regarding the substantive changes described above will be held at 8:45 a.m., August 26, 1996 in the Plaza Hearing Room of the Insurance Building at 950 North fifth Street, Baton Rouge, LA. All interested persons will be afforded an opportunity to make comments.

Interested persons may obtain a copy of the proposed changes from, and may submit oral or written comments to Denise Cassano, Assistant Director, Louisiana Health Care Commission, Department of Insurance, Box 94214, Baton Rouge, LA 70804-9214, telephone (504) 342-0819 or (504) 342-5075. Comments will be accepted through the close of business at 4:30 p.m. August 26, 1996.

James H. "Jim" Brown
Commissioner